

FISCAL NOTE

SB 1726 - HB 1729

March 14, 2003

SUMMARY OF BILL:

- Redefines a *family owned non-corporate entity* for the purposes of excise tax exemption as follows:
 - ownership units are defined as voting rights, capital interest or profits. Currently, the code does not give any specific examples of ownership units.
 - ownership units may be owned directly or indirectly. Currently, the code does not specify the type of ownership.
- Redefines *passive investment income* to include property producing investment income.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$250,000

The estimate is based upon a sample of known entities currently subject to F&E taxes that would fall under the family owned exemption.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director